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Industrial Development Board

Nineteenth session

SUMMARY RECORD OF THE 4th MEETING

Held at the Vienna International Centre, Vienna,
on Tuesday, 19 May 1998, at 4 p.m.

President: Mr. PITTALUGA FONSECA (Uruguay)

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The meeting was called to order at 4.30 p.m.

INTRODUCTION OF DRAFT DECISIONS (IDB.19/L.2-L.8)

1. **The PRESIDENT** said that agenda items 4-13 remained open for the adoption of decisions. A number of draft decisions, most of which had been discussed in informal consultations, were before the Board (IDB.19/L.2-L.8). Mr. Nizam Al-Din (Syrian Arab Republic) had originally been entrusted with chairing the consultations, but upon his departure from Vienna the Bureau had asked Mr. Nur (Sudan) to chair them instead.

2. **Mr. NUR** (Sudan), speaking as chairman of the informal consultations, said that the work of delegations participating in the consultations had been instrumental in enabling the Board to complete its session in two days. The draft decisions before the Board on items 4, 6, 8, 11 and 14 were the work of only two meetings, both of which had been characterized by flexibility and a spirit of compromise.

3. **The PRESIDENT** said that he was submitting the draft decisions approved in the informal consultations to the Board as his drafts.

UNIDO TECHNICAL COOPERATION ACTIVITIES IN 1997, INCLUDING OPERATIONAL ACTIVITIES FOR DEVELOPMENT *(continued)* (IDB.19/3)

INDUSTRIALIZATION OF THE LEAST DEVELOPED COUNTRIES *(continued)* (IDB.19/8)

INTERNATIONAL CENTRE FOR SCIENCE AND HIGH TECHNOLOGY *(continued)* (IDB.19/7)

PERFORMANCE INDICATORS *(continued)* (IDB.19/6; IDB.19/CRP.2)

4. **The PRESIDENT** said that, as no draft decisions had been submitted under those four items, he proposed that the Board should take note of the documentation provided by the Secretariat.

5. *It was so decided.*

ANNUAL REPORT OF THE DIRECTOR-GENERAL ON THE ACTIVITIES OF THE ORGANIZATION IN 1997 *(continued)* (IDB.19/10 and Add.1 and 2; IDB.19/L.7)

6. **The PRESIDENT** drew attention to draft decision IDB.19/L.7 on "Implementation of the Business Plan".

7. **Mr. FREEMAN** (United Kingdom), speaking on behalf of the European Union, said that it had been agreed in the informal consultations that paragraph (h) was to remain in square brackets pending discussion in the Board. He understood the underlying purpose of the original proposal on which the paragraph in question had been based. However, the European Union was very concerned not to engage in exercises of a micro-management character in respect of the organization of the work of UNIDO. With a view to reaching a consensus, he proposed that the paragraph should read:

> "(h) Requests the Director-General to continue to facilitate dialogue between the Member States and the Secretariat on programmatic issues, including evaluation."

8. **Mr. IKEDA** (Japan) said that the purpose of the draft resolution was to ensure that the new UNIDO had a good programme in which substantive activities were not dictated by earmarked voluntary contributions as they had been in the past. Japan's interest was in fund policy and not in micro-management. Transparency in fund allocation in the new UNIDO would be important to Japan as it would be to all Member States. As it was impossible for the Board to discuss all projects, the creation of a forum for that purpose might be a useful mechanism.

9. The Japanese delegation had much appreciated the spirit of cooperation that had prevailed in the informal consultations and was willing to accept the European Union proposal if that was the wish of the Board. However, it would prefer the creation of a mechanism or forum rather than the mere continued facilitation of dialogue.

10. **Mr. BENMOUSSA** (Morocco) said that no delegation wished to engage in micro-management or examine all projects. It was a matter of policy, and of trying to ensure more equity in the geographical distribution of projects. He suggested, as a compromise, that paragraph (h) should read:

> "(h) Requests the Director-General to facilitate collective dialogue between Member States and the Secretariat on programmatic issues, including planning, implementation and evaluation of projects, to ensure their adherence to the Business Plan."

11. **Mr. IKEDA** (Japan) suggested that the word "facilitate" should be replaced by "initiate".

12. **Mr. FREEMAN** (United Kingdom) suggested that the meeting should be briefly suspended to enable the delegations concerned to work out an acceptable text on an informal basis.

13. *It was so decided.*

The meeting was suspended at 4.55 p.m. and resumed at 5 p.m.

14. **The PRESIDENT** said that, following informal consultations, it was proposed that paragraph (h) should read:

> "(h) Requests the Director-General to initiate collective dialogue between the Member States and the Secretariat on programmatic issues including their planning, implementation and evaluation to ensure their adherence to the Business Plan."

15. *It was so decided.*

16. *Draft decision IDB.19/L.7, as amended, was adopted.*

SECOND INDUSTRIAL DEVELOPMENT DECADE FOR AFRICA *(continued)* (IDB.19/5; IDB.19/L.3)

17. **The PRESIDENT** drew attention to draft decision IDB.19/L.3.

18. *The draft decision was adopted.*

FIELD REPRESENTATION *(continued)* (IDB.19/11; IDB.19/L.8)

19. **The PRESIDENT** drew attention to the draft decision IDB.19/L.8.

20. **Mr. FREEMAN** (United Kingdom) said that it had been his understanding from the informal consultations that the last part of paragraph (i) would read: "... co-ordination of the United Nations system in the field".

21. *It was so decided.*

22. **Mr. BENMOUSSA** (Morocco) said that, while he would not oppose the adoption of that text by consensus, it raised questions. Coordination of the United Nations system in the field was not within the purview of UNIDO but was the responsibility of the resident representative of UNDP who was appointed jointly by the Administrator of UNDP and the United Nations Secretariat. UNIDO might perhaps contribute to that task, but frequently it had no field presence, compared with UNDP's representation in 135 places throughout the world.

23. *Draft decision IDB.19/L.8, as amended, was adopted.*

TIMELY PAYMENT OF ASSESSED CONTRIBUTIONS *(continued)* (IDB.19/12 and Corr.1, IDB.19/13; IDB.19/14; IDB.19/L.5)

24. **The PRESIDENT** drew attention to draft decision IDB.19/L.5.

25. **Mr. CHUNG** (Republic of Korea) proposed that the last phrase of paragraph (i) should read: "... to pay their assessed contributions on time and in full" in line with the language usually used in UNIDO documents.

26. *It was so decided.*

27. **Mr. SALAZAR** (Observer for Venezuela) suggested that, in paragraph (f) of the Spanish version, the word "*Aprueba*" should be replaced by "*Adopta*".

28. *It was so decided.*

29. *Draft decision IDB.19/L.5, as amended, was adopted.*

MATTERS RELATED TO INTER-GOVERNMENTAL, NON-GOVERNMENTAL, GOVERNMENTAL AND OTHER ORGANIZATIONS *(continued)* (IDB.19/4 and Add.1; IDB.19/L.2)

PERSONNEL MATTERS, INCLUDING COMPOSITION OF THE SECRETARIAT *(continued)* (IDB.19/9; IDB.19/L.4)

30. **The PRESIDENT** drew attention to two draft decisions that had been subject to review by the Bureau, namely, IDB.19/L.2 on applications from non-governmental organizations for consultative status with UNIDO and draft decision IDB.19/L.4 on personnel matters.

31. *Draft decisions IDB.19/L.2 and IDB.19/L.4 were adopted.*

PROVISIONAL AGENDA AND DATE OF THE TWENTIETH SESSION (IDB.19/CRP.5; IDB.19/L.6)

32. **The PRESIDENT** drew attention to draft decision IDB.19/L.6.

33. **Mr. BENMOUSSA** (Morocco) said that paragraph (k) of the decision just adopted on timely payment of assessed contributions (IDB.19/L.5) invited the Director-General to report to the twentieth session of the Board on the progress achieved in the settlement of arrears and payment of assessed contributions. As the provisional agenda stood, there was no specific item which would enable the Director-General so to do. Perhaps it could be covered in one of the sub-items under item 3.

34. **The PRESIDENT** said that the Secretariat would note that point.

35. *Draft decision IDB.19/L.6 was adopted*

ADOPTION OF THE REPORT (IDB.19/L.1)

36. **Mr. KOTOV** (Bulgaria), Rapporteur, introducing the draft report of the Board on its nineteenth session (IDB.19/L.1), said that the final report would duly reflect the decisions just adopted. Owing to the short duration of the session, there had been no meeting of the Friends of the Rapporteur. The report would be completed without delay and circulated to the Friends with a view to a subsequent meeting.

37. **The PRESIDENT** said that, if he heard no objections, he would take it that the Board wished to adopt the draft report as a whole on the understanding that the Rapporteur would finalize it in consultation with the Friends of the Rapporteur as soon as possible after the closure of the session.

38. **Mr. NUR** (Sudan) said that the question of the integrated packages of services had been discussed for the first time during the session although it had not appeared on the agenda. It should nevertheless be mentioned in the report.

39. *The report contained in document IDB.19/L.1 was adopted on that understanding.*

CLOSURE OF THE SESSION

40. **Mr. MANNO** (Italy) said that he wished to associate himself with the appreciation expressed during the past two days by a large number of delegations for the work and done by the Director-General in his five months' leadership of the Organization in very difficult circumstances.

41. The Director-General's recent visit to Italy had been extremely successful and the promising contacts he had made at the governmental level as well as with the private sector and economic and financial institutions would provide a solid basis for important collaboration in the future in areas of mutual interest.

42. The Italian Government welcomed the Director-General's initiatives in such important areas as the restructuring of the Organization, personnel management, administrative reform and the concrete formulation of integrated packages of services. The memorandum of understanding with UNCTAD and the efforts being made to improve and enhance UNIDO's relations with other organizations were welcome.

43. The recent Forum on Industrial Development had also been a successful initiative which had permitted fruitful direct contacts between Governments of developing countries, permanent representatives of donor countries and some of the most important international business representatives. The fact that the work of the Board, for the first time in its history, had been completed in two days was further testimony to the professional and organizational capacities and efficiency of the new management, and of the general support of Member States for the Director-General and the Secretariat.

44. The direction which had been chosen to lift UNIDO out of the deep crisis of the past had been the right one. Italy would continue to support the work of the Director-General in his difficult task.

45. **Mr. MAGARIÑOS** (Director-General) said that his first Board session had been a gratifying and enjoyable experience and thanked delegations for their active participation. The many supportive statements and the decisions adopted by the Board indicated that UNIDO was moving in the right direction and regaining the full confidence of its Member States.

46. A significant part of the nineteenth session had been devoted to reviewing administrative and organizational reform issues. It had also marked the transition into a substantive and programmatic dialogue. He hoped that Member States would participate actively in the further development and full elaboration of the proposed new integrated products. The momentum created by the Board must not be lost. He wanted to move on, finalize the programmatic transformation of UNIDO and apply the results as soon as possible at the country level.

47. Efforts would be centred around the special and pressing needs of the least developed and African countries, although the support requirements of other developing regions would not be disregarded. Several speakers had rightly reminded the Board of the universal character of UNIDO. Customized services would be developed responding to the distinct needs of each region, including the countries with economies in transition in their dual role of recipients and of providers of technological and scientific expertise for the benefit of developing countries.

48. The debate had highlighted the dynamic role that the Organization would be playing in strengthening the coherence and integration of the United Nations system. The field offices would be the prime movers in that regard. UNIDO would be an active partner in the new United Nations Development Assistance Frameworks at the country level and would ensure the integration of its offices into "UN Houses" wherever feasible; and it would complement the UNIDO-UNCTAD agreement with similar agreements with other Organizations.

49. It would also be at the forefront in developing valid and transparent performance indicators to facilitate the

monitoring of the impact of the Organization's activities. Following the encouraging response from Member States, he would ensure an early implementation of the proposed performance indicators on a trial basis.

50. The new field representation system would be put into effect swiftly. While it might not fully satisfy all countries, it was the maximum that could be accommodated within existing resources. As mandated by the Board and the General Conference, consultations would continue with Member States on ways of further strengthening the field office network.

51. The important administrative and programmatic reform of UNIDO would need to be complemented by reform of the policy-making organs. To that end, proposals would be put to the President of the Board, Member States and regional groups on further mechanisms for informal discussions on programmatic matters. Such mechanisms might be on the lines of the Forum on Industrial Development that had recently taken place.

52. The decisions just adopted would be extremely useful in implementation of the programmatic reform and the Business Plan.

53. Many people, especially top management, had worked during weekends to be able to present the integrated packages of services, and all of them were to be thanked for their efforts. The successes so far achieved were not due to the skills of any one individual or group of individuals but to the combined efforts of all the staff.

54. **The PRESIDENT** thanked the Secretariat for its support and assistance and commended the spirit of cooperation that had prevailed throughout the session.

55. The Board would undoubtedly welcome the news that an office had just been opened on the tenth floor of Building D for the Group of 77, providing three rooms in which the Group could meet and work.

56. He declared the nineteenth session of the Industrial Development Board closed.

The meeting rose at 5.40 p.m.